

UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF FLORIDA

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PROOF OF CLAIM

Name of Debtor Debit Corporation of America, Inc.		Case Number 04-14360-BKC-AJC	THIS SPACE IS FOR COURT USE ONLY <div style="text-align: center;"> JUN 29 04 COURT MIAMI, FLORIDA </div>
NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A "request" for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503. (See Local Rule 3001-1(B))			
Name of Creditor (The person or other entity to whom the debtor owes money or property): Albert & Timothy Fredette Name and Address where notices should be sent: c/o Joseph M. Walsh, Esq. 42 Long Alley Saratoga Springs, NY 12866 Telephone Number: (518) 583-0171		<input type="checkbox"/> Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars. <input type="checkbox"/> Check box if you have never received any notices from the bankruptcy court in this case. <input type="checkbox"/> Check box if the address differs from the address on the envelope sent to you by the court.	
Account or other number by which creditor identifies debtor: (If SS# only list last 4 digits of SS#):		Check here if <input type="checkbox"/> replaces <input type="checkbox"/> amends a previously filed claim, dated _____ this claim	
1. Basis for Claim: <input type="checkbox"/> Goods sold <input type="checkbox"/> Services performed <input type="checkbox"/> Money loaned <input type="checkbox"/> Personal injury/wrongful death <input type="checkbox"/> Taxes <input checked="" type="checkbox"/> Other Fraud, Breach of Contract, Undelivered Goods		<input type="checkbox"/> Retiree benefits as defined in 11 U.S.C. § 1114(a) <input type="checkbox"/> Wages, salaries, and compensation (fill out below) Last four digits of SS#: <u>xxx-xx-</u> Unpaid compensation for services performed from _____ to _____ <div style="text-align: center;"> (date) (date) </div>	
2. Date debt was incurred: November 16, 2003		3. If court judgment, date obtained:	
4. Total Amount of Claim at Time Case Filed: \$ <u>24,315.00</u> + _____ + _____ = <u>24,315.00</u> <div style="text-align: center;"> (Unsecured Nonpriority) (Secured) (Unsecured Priority) (Total) </div> Complete items 5, 6, and 7 (as applicable) to further describe the amount(s) you indicated in item 4. <input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges.			
5. Secured Claim. <input type="checkbox"/> Check this box if your claim is secured by collateral (including a right of setoff). Brief Description of Collateral: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other _____ Value of Collateral: \$ _____ Amount of arrearage and other charges at the time the case was filed included in secured claim, if any: \$ _____		7. Unsecured Priority Claim. <input type="checkbox"/> Check this box if you have an unsecured priority claim Amount entitled to priority \$ _____ Specify the priority of the claim: <input type="checkbox"/> Wages, salaries, or commissions (up to \$4,925)* earned within 90 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(3). <input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(4). <input type="checkbox"/> Up to \$2,225* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(6). <input type="checkbox"/> Alimony, maintenance, or support owed to a spouse, former spouse, or child - 11 U.S.C. § 507(a)(7). <input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8). <input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. § 507(a)(____). <i>*Amounts are subject to adjustment on 4/1/07 and every 3 years thereafter with respect to cases commenced on or after date of adjustment.</i>	
6. Unsecured Nonpriority Claim \$ 24,315.00 <input type="checkbox"/> Check this box if: a) there is no collateral or lien securing your claim, or b) your claim exceeds the value of the property securing it, or if c) none or only part of your claim is entitled to priority.		This Space is for Court Use Only <div style="font-size: 2em; text-align: center;"> 51 </div>	
8. Credits: The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim. 9. Supporting Documents: Attach legible copies of supporting documents, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, and evidence of perfection of lien. DO NOT SEND ORIGINAL DOCUMENTS. If the documents are not available, explain. If the documents are voluminous, attach a summary. Supporting documents should not exceed 5 pages. (See reverse for instructions) 10. Date-Stamped Copy: To receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim. Research and/or copy charges will apply for future copy requests of claims.		This Space is for Court Use Only <div style="font-size: 2em; text-align: center;"> 51 </div>	
Date: <u>6/22/04</u> Sign and print the name and title, if any, of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any): Albert Fredette, Timothy Fredette <u>6/22/04 Timothy Fredette</u>		This Space is for Court Use Only <div style="font-size: 2em; text-align: center;"> 51 </div>	
Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.			

MACHINE REORDER FORM
SUNSHINE PROCESSING, INC.

DEBIT CORPORATION OF AMERICA

3475 Sheridan Street, Suite 215 F
954-981-4447 Toll Free 800-468-3213 Toll Free Fax 800-468-1836

Timothy J Fredette

Purchaser's Name

10/2/03
Date

26 Ogden ST

Purchaser's Address

Glen Falls

City

NJ
State

12801
Zip

518 798 4064

Home Phone

518 798 4064

Business Phone

FAX 518 745 5128

Reorder	<u>1</u>	2	3	4	(Circle no. reorder)
Number of Machines					<u>4</u>
Purchase Price					<u>\$2350⁰⁰</u>
Number of Cards					<u>100</u>
Total					<u>\$9400⁰⁰</u>
<u>Future system Price \$2350⁰⁰ per <u>AS</u></u>						

ID Number 3985

Reorder CK # 257

10/3/03

Locator LISA

PU Date 10/2/03

Territory Director Joyce H.

PU #

of Systems to Ship 7

N/C Card Order Written _____ (Date)

Scheduled Ship Date _____

Entered on Load Ship List _____

Distributor County ALBANY

PURCHASE ORDER
DEBIT CORPORATION
OF AMERICA, INC.

3475 Sheridan Street, Suite 215F, Hollywood, FL 33021
Phone: (954) 981-4447 • Fax: (954) 981-4421
Toll Free: (800) 468-3213 • Fax: (800) 468-1836

ID# 003980
County ALBANY COUNTY, N.Y.

Purchaser's Name Timothy J. Fredette Date 9/22/03
Purchaser's Address 26 Ogden St.
City GLENS FALLS State New York Zip 12801
Home Phone 518-798-4064 Business Phone _____

No. of Sales
Systems to ship: 3

Face Value of Prepaid MasterCard
Activation Certificates to ship: \$4,000

Purchase Price Sales Systems	\$ <u>14,915</u>
Purchase Price of Additional Items	\$ <u>NC</u>
Total	\$ <u>14,915</u>
Sales Tax (FL Residents Only)	\$ <u>NA</u>
Amount Paid	\$ <u>14,915</u>

Special Provisions Timothy Fredette
Distributor has the right of First
Refusal for Albany County. Do BANK wire
from Glens Falls NATIONAL BANK.

Purchaser acknowledges the receipt of all Disclosure Documents of Seller ten (10) business days prior to acceptance and deposit of funds and that **this sale is subject to the terms on the reverse of this Purchase Order.**

ACCEPTED AND APPROVED

By: _____
COMPANY OFFICER

By: Timothy Fredette
BUYER

AIN # BO2403

I have read and agree to the Terms and
Conditions on the back of this Purchase Order.

TERMS AND CONDITIONS

The Seller agrees to sell and the Buyer agrees to buy the equipment and/or product described on the reverse of this order described on the following terms and conditions:

1. The Seller agrees to ship the equipment and/or products within forty-five (45) days from receipt of this Purchase Order accompanied by full payment. Delivery shall be subject to and contingent upon strikes, labor difficulties, fire, storm delay or defaults of common carriers, failure or curtailment in Seller's usual source of supply, government decrees or orders, or any other delays beyond the Seller's reasonable control, and the Seller shall not be liable for any loss or damage arising therefrom. Buyer may cancel the order by written notice delivered to Seller prior to the shipment if the order is not delivered within forty-five (45) days of receipt of the Purchase Order and payment from the Buyer. Title to the product and/or goods shall not pass to the Purchaser until total due is paid in full. Products and/or goods purchased are for a business purpose. Delivery and location of displays and/or products are Purchaser's responsibility, and all products and/or goods are F.O.B. company warehouse.
2. The manufacturer guarantees to replace, or at its option, repair any products or parts thereof which are found to be defective in material or workmanship within one (1) year from the date of purchase except for the video component, 90 days for labor, and 2 years for picture tube. The obligation with respect to such products shall be limited to replacement or repair F.O.B., Manufacturer, and in no event shall the Seller be liable for consequential or special damages, or for transportation in connection with such products or parts. This warranty is expressly made in lieu of all other warranties express or implied, including the warranties of merchantability and fitness.
3. This Purchase Order is intended by the parties as a complete and final expression of the entire Purchase Agreement between the parties and as a complete and exclusive statement of its terms. Both the front and back of the Purchase Order have been read and agreed to by Purchaser and Purchaser hereby acknowledges he/she has done so with a clear understanding of this Purchase Order and all of its terms and provisions. Purchaser has been given the opportunity to have an attorney review this document. Buyer understands and agrees that Seller offers no buy-backs, money back guarantees, or refunds. Buyer agrees that he/she is not relying upon any verbal or written representations whatsoever, except as expressly set forth in this Purchase Order. Buyer acknowledges and agrees that Seller does not guarantee or represent that the units when installed, will guarantee any minimum earnings as the earnings from them are rendered by the Buyer, all of which factors are beyond the control of the Seller. This Purchase Order can only be modified in writing, signed by the parties, or their duly authorized agents. Deposits are not refunded if approved for distributorship. Seller reserves the right to modify and upgrade changes in packaging and product content for the betterment of the product line.
4. Any dispute under this Purchase Order shall be settled by arbitration before the American Arbitration Association of South Florida in accordance with their rules and procedures. Judgment on the award of the American Arbitration Association may be entered in any Court of competent jurisdiction. Interpretation of this Purchase Order shall be determined by the laws of the State of Florida. Exclusive venue for the resolution of disputes shall be in Miami-Dade County, Florida.
5. Any action arising out of this Purchase Order shall be appealed to the Third District Court of Appeals in the state of Florida. Any action taken in federal court pertaining to or arising under this Agreement, shall be to the United States District Court for the Southern District of Florida.
6. Sales tax required on displays purchased by Florida residents.
7. Seller will provide Purchaser with items as herein provided for the specified price as determined. Seller shall ship F.O.B. company warehouse to the Purchaser's address as stated herein. In addition, Seller will give Purchaser an opportunity to purchase additional products upon request by Purchaser.
8. Seller agrees to appoint and maintain during the term of this Agreement an agent for the receipt of service of process within the State of Florida with respect to any action arising out of or based upon the relationship between the Seller and Purchaser. Seller's agent for service at the present time is Jack Gordon, 3475 Sheridan Street, Suite 215F, Hollywood, FL 33021. Seller reserves the right to change its agent for service at anytime and will provide written notice to Purchaser if such an event occurs prior to the completion of any sale.
9. Purchaser agrees and understands that any and all locations are the responsibility of the Purchaser and ultimately it is the Purchaser's responsibility to independently locate the units sold. Seller agrees to assist in scheduling appointments for the Buyer to help locate units sold.
10. Purchaser agrees, understands and acknowledges that the relationship between Seller and Purchaser is that of a distributor and that a distributor is defined as a purchaser of goods from a seller.
11. Purchaser agrees to comply with all Federal, State and Municipal laws relating to their business, and will not engage in any intentional unlawful or illegal trade practices or business activity.
12. Purchaser shall be responsible for all Federal, State and Local taxes as well as all licenses required to do business and shall act as an independent contractor in all matters concerning Purchaser's business.
13. It is acknowledged by Purchaser that this is not a franchise offering nor a security offering and involves only the purchase of products. Purchaser is free to sell any items in the displays and/or vending machines and does not have to purchase such items at any time from Seller.
14. This Purchase Order pertains to, and is intended to be an initial order. Additional purchases may have different terms and conditions.
15. Purchaser may cancel this Purchase Order for any reason by mailing written notice of same to Seller if and only if said notice is postmarked within five days of Seller's receipt of payment in full.
16. This is not a franchise sale.

12/15/2003

TO:
Harvey Wall
DCA

From: Al Fredette
26 Ogden St.
Glens Falls, N. Y. 12801
phone 518-745-0135

Harvey,

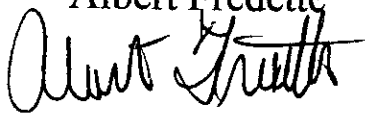
I can't believe you shipped those four extra units long after you received my verbal cancellation on Dec. 2nd 2003, my first written cancellation on Dec. 4th 2003 and a second written cancellation on Dec. 8th 2003 at which time we discussed again on the phone that I would not accept the order of those 4 units. After all of these cancellations you sent the order anyway. I refused the order as I said I would.

You and your company have not dealt in good faith or even honestly from the very beginning. Therefore, I am for the second time in a week, in writing, telling you to end my distributorship completely and refund my full amount of \$24,315.

You, Bill, Joyce, and your list of references have all lead me to believe that this was a legitimate business that would do a minimum in sales of two cards per day per location or your locators would find another location to meet these minimum standards. Not only has there been no location to sell 2 cards in a day but in five weeks all four locations together have not sold one card!!! I will take this as far as is needed to get satisfaction. I need to hear from you immediately.

Albert Fredette

Timothy Fredette



02/16/2004

Attn: Jack Gordon
DCA
Hollywood, Fl.

Mr. Gordon,

After a dozen attempts to contact you by phone, fax and even certified mail I have received absolutely no response. This is my last effort before litigation.

If you have paid attention to any of my correspondence you know my main dispute is that you have \$9,400 of my money for which I have no displays. I cancelled that order in writing to you on December 4th by fax and confirmed with Harvey Wall that it was received. Your company then proceeded to ship that order on December 9th by Fed Ex's records.

As I told you in a previous fax I am a reasonable man and only want the chance to negotiate a compromise that would be acceptable to you and me without the cost and time consumed by litigation.

Please call me at 518-798-4064 at your very earliest convenience so I will know not to start with litigation.

Sincerely,

Al Fredette Timothy Fredette

